

PREPARED STATEMENT
Supporting Invited Testimony To Be Presented By

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On

Reform of American Intelligence Capabilities

Before The
Committee on Armed Services
United States House of Representatives

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"If you would have peace, prepare for war."

– Benjamin Franklin

I am grateful for the Committee's kind invitation to offer testimony on reform of the intelligence capabilities of the United State Government.

BACKGROUND. I have been an interested observer of both American and foreign capabilities with respect to defense activities in general for the past four decades, primarily as a professional staff member of the Lawrence Livermore National Laboratory, operated by the University of California for the U.S. Department of Energy as a national security institution; in this capacity, I have been one of many thousands of 'consumers' of the 'products' of the U.S. intelligence community. During the past half-dozen years, I have served as a member of the Technical Advisory Group constituted by the Select Committee on Intelligence of the U.S. Senate, conducting requested surveys of various portions of the Intelligence Community and offering informed advice from a technical perspective.

I have been privileged to appear on a number of occasions before the Subcommittees of the Armed Services Committee of the House of Representatives during the past three decades, testifying on a variety of national security topics. I last testified here on the subject of nuclear EMP three weeks ago as a member of the Commission to Assess the Electromagnetic Pulse Threat to the United States, an *ad hoc* body created and tasked by the 106th Congress on this Committee's initiative. I have served the Armed Services Committee in a variety of technical advisory capacities, initially under Chairman Les Aspin a decade-&-a-half ago, and more recently under the leadership of Chairmen Floyd Spence and Duncan Hunter.

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I'm testifying today as a long-term student of national security affairs, one who has been both a 'customer' and, more recently, a friendly critic of the intelligence functions underlying national security. While I'll speak incisively for reasons of clarity and brevity, I must make clear at the outset that some of the finest American patriots that I've ever been privileged to meet and to work with have been members of the Intelligence Community. Also, it's completely clear to me that this Community and its members have indeed done many wonderful things – some of frankly awesome proportions – for the U.S. government and the American people, as well as for the great cause of a more peaceful, free and decent world.

However, we are now met on an occasion of less-than-complete happiness, one inquiring as to how the notably imperfect functioning of the Intelligence Community – the IC, in pertinent jargon – in recent times can be drastically improved in time-to-come. Candor seems very much in order, as decent respect for those thousands who have died in consequence of the commonly-owned problems that now confront us all, and I'll endeavor to do my part in this respect.

THE PROBLEM. Contemporary U.S. intelligence capabilities are notably 'broken,' remarkably incapable of providing either strategic or tactical warnings to the U.S. leadership of impending attacks of many modern-day types, specifically including terrorist ones. Some of the many causes of this fundamental incapacity are slowness to adapt to post-Cold War threats-&-conditions, budgetary stringencies in the '90s that drove much of the Community's talent into other lines of work, pervasive lack of figures-of-merit and measures of operational efficiencies, reluctance of large organizations to cooperate with competing bureaucracies, and the overall-deadening effects of large risk-adverse bureaucracies accustomed to operating with minimum levels of accountability.

The single-point problem within the Executive Branch is the lack of any central point of authority-&-accountability for the performance of the Intelligence Community (IC). The Director of Central Intelligence (DCI) *nominally* has such responsibility, but both the President and the Congress have made it very clear that (s)he *actually* does not – and certainly no DCI in the past dozen-&-a-half years at least has cherished any illusions to the contrary. The DCI is truly the master of the Central Intelligence Agency (CIA) – one of the smaller of the many components of the IC – and of nothing more. The President always has been the *de facto* supervisor of the IC, but his doing so is a very part-time job – and is obviously one for which he has accountability only directly to the American people, and that only on the single occasion that he may stand for reelection.

In fact, the IC is its own master in most pertinent respects, nearly reflexively defended from all serious challenges by the then-current President as one of his most powerful instruments-of-office. Moreover, its long-term fragmented, secret, (quasi-)military character makes it natural for each IC agency Director to be the more-or-less absolute ruler of his Agency, and most such Directors slip, perhaps unconsciously at first, into the role of a feudal baron. It's not a huge exaggeration to suggest that the Community is nearly a score of Duchys of Grand Fenwick, each with its powerful houses-&-clans, and with all Duchys constantly maneuvering-for-advantage relative to all others, to greater-or-lesser extents. Too often, the National interest is served only rather incidentally, indeed happenstantially, during these maneuverings. This isn't due to wickedness or even dereliction on anyone's part – it's a natural, indeed inevitable, "real human beings" consequence of the lack of *real, routinely-exercised* Executive authority and the IC's long-term-successful resistance to

performance-accountability of any *truly substantive* character. Madison’s tart comment that “If men were angels, there would be no need for government” applies contrapositively to the good people in the IC as much as it does anywhere else.

The single-point problem within the Legislative Branch is the nearly-complete lack of *effective* oversight of the IC by the Congress. Indeed, lack of truly effective legislative oversight is at the nub of the problem of the overall low *efficiency* and remarkably limited *effectiveness* of the IC. The repeated failure of the Congress to see into law Intelligence Authorization Acts with *really substantive* content since the end of the Cold War has made it clear to all observers that there is little *real* oversight coming from – or to be expected from – the Hill, and that the principal IC-pertinent function of the Congress is the writing of more-or-less “blank checks,” via a heavily-cloaked, necessarily-ambiguous Appropriations process which moreover is nearly free from effective GAO monitoring-of-program execution, the ‘other arm’ of the Congressional power-of-the-purse. As an illustration, no one known to me can recall when a vetoed Intelligence Authorization Act – of which there have been many – was *ever* sent back to a President by a two-thirds vote of both Houses; nor can anyone I know recall when an Intelligence Appropriation was *significantly* less – or more – than what a President had requested.

Indeed, the IC is the only operation in the entire Government to which dozens of billions of dollars are appropriated annually to be spent by Agencies most of whose existence has never been formally recognized in law by the Congress, but rather ones that were called into existence – and remain in existence – solely under Executive Order – and whose almost-uniformly-unconfirmed top managers appear before Congress at the whim of the Executive. With all due respect, I suggest that this may be a conscious-&-witting abdication of true legislative oversight that’s unprecedented in the history of the American Republic. While there may have been some ‘National emergency’ justification for such a *fundamentally anomalous*, arguably extra-Constitutional state-of-affairs during the Cold War, it’s not at all clear what the basis has been since 1992, in an era when the Nation has been mostly at peace, its existence unthreatened.

PARAMETERS FOR SOLUTIONS. The outlines of – the basic parameters for – remediating the IC’s basic deficiencies are implicit in the foregoing problem-statement: ***empowered-&-accountable top-level management in the Executive Branch, and engaged-&-effective oversight from the Congress.***

The ‘trivial solution’ for the presently non-existent top-level management of the IC is to give the DCI genuine authority – involving authorities for both sweeping budgetary preparation-&-allocation and hiring/firing of all senior IC managers – over the entire IC, and then to hold him/her accountable, regularly-&-rigorously, for the IC’s *efficiency* and *effectiveness* (two *notably* distinct measures, in the intelligence context).

However, conferring plenary authority for employing an eighth of all National security expenditures in highly-secret Government operations, not all of them of a conventional administrative character, on *any* single person will trouble more-than-a-few people – and it properly should concern everyone dedicated to the long-term well-being of the American Republic in anything like its present form. Indeed, the long-term incapacity of the DCI with respect to effective

IC governance likely has its origins in this utterly-fundamental consideration. Any individual with plenary authority of this magnitude necessarily will exercise power of degrees that the world has only very seldom seen – although such power *must* be wielded in present circumstances in order to secure us all against the rampant evil that’s now on the march around the globe.

When the Government last confronted such a conundrum, it chose to give the analog of this extraordinary top-level managerial authority an intra-Executive oversight board with full-time membership – and to take the extraordinary step of creating a Joint Committee of the Congress to conduct all aspects of legislative oversight of this entire Executive enterprise.

During World War II, the President brought the atomic energy enterprise of the U.S. into existence via Executive Order, and funded it secretly with funds unknowingly provided by Congress, funds legislatively intended for unrelated wartime efforts and programs. When the Congress ‘regularized’ this extraordinary enterprise – on which the post-War geopolitical world seemed to turn – in the Atomic Energy Act of 1947, it boldly removed the enterprise *entirely* from War Department management and created a new civilian-bossed agency to manage it exclusively, the Atomic Energy Commission (AEC). The Commission’s day-to-day management was conducted by a General Manager, one appointed, dismissed and overseen by the full-time Commissioners jointly. All aspects of atomic energy – civilian, military and ‘mixed’ – were conducted by the Commission.

Most crucially by far, the Congress created an *ad hoc* body – a then-rare Joint Committee, the one on Atomic Energy (JCAE) – to provide legislative oversight of the AEC and conferred upon it the responsibility *not only* for framing authorizing legislation for all atomic energy activities of all types, but – utterly pivotally – also tasked it with recommending to the Congress all appropriations actions for all atomic energy activities. The Executive – the President and his Atomic Energy Commissioners – was thereby presented (“confronted” might not be too strong a term, in a few early circumstances) with a single-point-of-contact on the Hill, which quickly and remarkably smoothly led to a co-dominium of supervision of the nascent atomic energy community in the U.S. This intimate jointness of supervision proved to be remarkably effective for nearly three decades, during which interval the global preeminence of the U.S. in all aspects of atomic energy became very deeply rooted. The suppleness of Governmental management of the atomic energy enterprise was completely unrivalled, as the Commissioners could – and frequently did – go to their legislative overseers for within-the-budget-cycle *ad hoc* authorization or appropriation actions; the AEC thus was able to turn on the proverbial dime when external circumstances so indicated. The General Manager of the AEC, in principle an *exceedingly* powerful post, was complemented – counterbalanced, in a few circumstances – by the Staff Director of the JCAE, and the AEC itself generally worked very closely with the JCAE itself to supervise its General Manager as the JCAE did its Staff Director.

The AEC-JCAE “jointness” paradigm – remarkably successful in executing the National will during a very challenging time in U.S. history – might serve aptly at present, when basic reform of the IC is necessary. At a casual glance, it might seem that such an utter ‘civilian-ization’ of intelligence couldn’t possibly meet the bedrock requirement that military intelligence function retain their essential military character. A little deeper look at the AEC-JCAE paradigm will reveal that the AEC seamlessly melded civilian and military needs-&-functions, from the outset, primarily by excellent Congressional design. The basic statutes specified that key senior posts in the civilian-

capped AEC would be staffed with general officers and provided with field-grade officers as senior deputies, each selected by the Commission from a very short list provided by the Pentagon; the AEC's Divisions of Military Application (the 'bomb shop') and of Naval Reactors were both so staffed. Moreover, the statutes specified that 'requests' for goods-&-services of all kinds from the Pentagon to the AEC actually were mandates, and must be met, on-time and on-spec. As a consequence of such legislative clarity as to priorities, the AEC and the DoD worked hand-in-glove, without any serious friction or bureaucratic game-playing. Undergirding such uniform seriousness-of-purpose was the fact that a number of the senior members of the Joint Committee generally carried the full gamut of national security oversight responsibilities, so that all less happy bureaucratic tendencies along atomic energy lines in both the Pentagon and the AEC were damped out by continual, intensive legislative oversight.

It's in the light of such history that I suggest that that the unquestionably fundamental requirements of the Pentagon for the full set of intelligence can be well-satisfied by an Intelligence Commission rather closely modeled after the AEC. Tactical military intelligence is a clearly distinct governmental function, one closely associated with conduct of military operations. For this type of intelligence, authority and responsibility must be intimately bonded with command-&-control of military functions, i.e., it absolutely must be carried-&-discharged by senior military officers and the senior civilian officials immediately overseeing them. Thus, there can be no question but that tactical intelligence capabilities are a *de facto* organic part of the Defense Department in all respects. To behave otherwise would be foolish in peacetime and manifest folly in time-of-war. The present-day need for fundamental reform of the Nation's strategic intelligence capabilities is undeniable, just as it was clear to the Congress nearly six decades ago that atomic energy must be under the control of a civilian Commission. In contrast, reforms of American tactical military intelligence structures or functions – whose present shortcomings are far less evident and upon which Combatant Commanders must be able to rely completely – should be conducted without major dislocation relative to present arrangements. The basic reason for including such functions within the purview of the proposed Intelligence Commission is to insure minimum communications 'distances' between tactical and strategic intelligence, to the clear benefit of them both. In particular, any such inclusion should have the same general and field-grade officer management character of the key Divisions of the AEC, and legislative oversight arrangements must reflect this.

While the necessity of such fundamental alterations in the established "ways of doing business" might be questioned by many who will perceive loss to their present positions, it's appropriate to recall that a "blank slate" upon which to write structural and operational mandates to a brand-new IC isn't available. Instead, basic reform of a huge, somewhat sclerotic, remarkably wily, *peculiarly powerful* bureaucracy is now obligatory. History teaches that half-measures – another cycle of the "rearranging of the deck-chairs of the Titanic" that's gone on for a few decades now – inevitably will be 'turned' by entrenched resistance into no *real* measures at all. If everyone concerned isn't willing to "give a little" for the Nation's ability to rise to the present challenge, yet another attempt to "do the job right" will have to be made after the next catastrophic "intelligence failure" – which *actually* will be a *fundamental failure-to-govern*.

THE BOTTOM LINE. I therefore most respectfully urge the Committee to give serious consideration to taking a page out of one of the most successful chapters of 20th century American governmental history, and to create an Intelligence Commission and a Joint Committee on

Intelligence, modeled after the Atomic Energy Commission and the Joint Committee on Atomic Energy. While this particular approach certainly isn't the only possible one for our present problems, it has the distinct merit that it's "known to work" in National circumstances closely analogous to present ones – and moreover it was created-&-operated with acceptable costs from the various standpoints of most everyone in the Government.

Only when the Congress makes major changes in its *own* ways of doing business *in any area* does the rest of the Government take note and begin to believe that it's *really* serious about the corresponding change, and that things indeed *must* change. *Really* big changes are needed in the Nation's strategic intelligence functions, and just tinkering with Executive structures-and-titles-and-organizational arrangements-&-locations is a "fooling some of the people some of the time" type of solution; it surely won't fool, even for a moment, the hard-eyed types that infest the mean streets of the present-day world. Instead, the Congress must *significantly* change itself, as well as the Executive. Difficult though this may be, anything less simply fails to rise to the demands of the present challenge posed to America.

I thank the Committee once again for this opportunity to appear and comment on these matters of enduring significance for our Nation's security.

Information Submitted In Compliance With Rule XI, Clause 2(g) of the House of Representatives

Dr. Lowell Wood is a Visiting Fellow at the Hoover Institution on War, Revolution and Peace at Stanford University, and a permanent staff member (currently on the Director's Technical Staff) of the Lawrence Livermore National Laboratory, operated under long-term contract (since 1953 through the present) by the University of California for the U.S. Department of Energy and its predecessor organizations, under Contract W-7405-eng-48.

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Dr. Wood is not representing the Hoover Institution or the Livermore Laboratory, or presenting positions of either of these organizations, in the course of his appearance before the Subcommittee. (To the best of his knowledge, neither of these organizations maintains any positions on any of the subject matter of his testimony.)

Neither the Hoover Institution nor the Lawrence Livermore National Laboratory have contributed to the preparation of his testimony, which has been prepared by him as a private individual. Dr. Wood's testimony is offered as being solely his own, not necessarily representing the opinion of anyone – or anything – else.